Message Text

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USDOC FOR BEWT

E.O. 11652: NA

TAGS: EWWT, ETRD, BEXP, CZ

SUBJECT: AMVER AWARD TO CZECHOSLOVAK OCEAN SHIPPING COMPANY (CNP)

REF A. 76 PRAGUE A-110(NOTAL), B. STATE A-1894(NOTAL), C. STATE 2686(NOTAL)

- 1. AT INFORMAL JANUARY 26 CEREMONY AT RESIDENCE, AMBASSADOR PRESENTED 1976 AMVER AWARD TO LADISLAV TYL, DEPUTY GENERAL DIRECTOR, AND JAN HAJZNER, COMMERCIAL DIRECTOR, OF CESKOSLOVENSKA NAMORNI PLAVBA (CZECHOSLOVAK OCEAN SHIPPING COMPANY). THIS WAS SECOND YEAR IN ROW CNP HAS RECEIVED AWARD (REF A).
- 2. DURING COURSE OF CORDIAL CONVERSATION AFTER PRESENTATION, TYL AND HAJZNER PROVIDED FOLLOWING INFORMATION ON CNP, WHICH COMES UNDER JURISDICTION OF FOREIGN TRADE MINISTER BARCAK. CNP NOW HAS 12 OCEAN-GOING VESSELS (INCLUDING LINERS AND BULK CARRIERS, BUT NO TANKERS).

 NINE OF WHICH WERE BUILT IN POLAND AND ONE EACH IN JAPAN, UK AND BULGARIA. DURING CURRENT FYP ((1976-80), THREE OF THESE LIMITED OFFICIAL USE

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VESSELS WILL BE SOLD OR SCRAPPED, AND FOUR NEW ONES WILL JOIN MERCHANT

FLEET. NO ORDERS HAVE YET BEEN PLACED FOR FOUR NEW SHIPS, WHICH SUPPOSEDLY CAN COME FROM WITHIN OR WITHOUT CEMA DEPENDING ON MOST COMPETITIVE BID(ALTHOUGH TYL AND HAJZNER DECLINED TO GIVE US SPECIFICS

ON HOW OR WHEN GOC WILL CALL FOR SUCH BIDS). CNP STILL HAS NOT

DECIDED WHAT TYPES OF NEW SHIPS IT WANTS. IT HOPES TO OBTAIN ALL FOUR FROM SAME SOURCE FOR LOWER UNIT COST AND BENEFITS OF STANDARDIZATION.

- 3. TYL AND HAJZNER CONFIRMED THE OBVIOUS BY SAYYING CSSR DOES NOT ASPIRE TO BECOMING MAJOR MARITIME POWER. SHORTAGE OF SKILLED LABOR, ABSENCE OF MARITIME TRADITIONS AND LACK OF HOME PORT ARE KEY REASONS, ALONG WITH GROWING COMPETITION FOR OTHER COUNTRIES TO GET A LARGER SHARE OF WORLD CARGO TRADE. LAST YEAR WAS A VERY BAD YEAR FOR RATES, WHILE OPERATING COSTS CONTINUED TO RISE, A TREND CNP OFFICIALS EVIDENTLY EXPECT TO CONTINUE. (IN ADDITION TO CNP, CZECHOSLOVAKIA HAS TWO RIVER SHIPPING COMPANIES WHICH COME UNDER TRANSPORT MINISTRY'S CONTROL. CZECHOSLOVENSKA PLAVBA DUNAJSKA (CS DANUBE NAVIGATION), HEADQUARTERED IN BRATISLAVA, HANDLES DANUBE RIVER TRADE, AND CESKOSLOVENSKA PLAVBA LABSKO-ODERSKA (CS ELBE-ODER NAVIGATION) IN DECIN, HANDLES ELBE-ODER TRADE. THE FORMER OPERATES FOUR SMALL OCEAN-GOING VESSELS, BUT THESE TWO ENTERPRISES MOSTLY OPERATE RIVER BARGES.
- 4. WHEN ASKED ABOUT EFFECTS OF U.S. ACTION REDUCING MINIMUM REQUEST TIME FOR U.S. PORT ENTRY FROM FOURTEEN TO SEVEN FULL WORKING DAYS (REF C), TYL SMILED AND SAID THE PREVIOUS ARRANGEMENT MAY HAVE BEEN BETTER FOR CNP. HE SAID THAT, WHEREAS BEFORE SHIPPERS AND SHIPPING AGENTS KNEW THAT THEY HAD TO REQUEST CLEARANCE EXACTLY TWO WEEKS BEFORE PLANNED ENTRY, THEY FIND NEW REQUIREMENT MORE CONFUSING SINCE THEY MUST EXCLUDE WEEKENDS AND U.S. HOLIDAYS FROM SEVEN DAY LIMITED OFFICIAL USE

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COUNT. WHILE TYL SEEMED TO APPRECIATE THAT U.S. MOVE WAS FRIENDLY GESTURE, HE SUGGESTED HUMOROUSLY THAT CNP PREFERS THAT WE NOT DO THEM ANY MORE "FAVORS" FOR THE TIME BEING.

5. COMMENT: USDOC MAY WANT TO ADVISE INTERESTED FIRMS, PARTICULARLY PRODUCERS OF ANCILLARY MARITIME EQUIPMENT, THAT CNP INTENDS TO ORDER FOUR NEW SHIPS IN NEXT THREE YEARS. WE WILL REPORT FURTHER DETAILS IF THEY BECOME AVAILABLE. DECONTROL 1-30-79.
BYRNE

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